(b) whether it is also a fact that some big companies manufacturing vegetable oil are setting up their manufacturing units in Sri Lanka and thus manufacturing
vegetable oil by purchasing palm oil from Malaysia and thereafter exporting it to India;

(c) whether it is also a fact that due to this approximately half of the manufacturing units engaged in vegetable oil industry have been closed in the country; and

(d) if so, what steps Government have taken during the last one year to save the vegetable oil industry of the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) to (d) All Vanaspati oil manufacturing units in Sri Lanka have to obtain licences from Board of Investment, Government of Sri Lanka, which is under the domain of Government of Sri Lanka. As far as export of duty free Vanaspati oil from Sri Lanka to India is concerned, both Government of India and Government of Sri Lanka have formulated Tariff Rate Quota (TRQ) of 2,50,000 MT per annum. This TRQ will be monitored by Director General of Foreign Trade (DGFT) as per the provisions of the Foreign Trade Policy (FTP). TRQ will also be distributed equally amongst four quarters to ensure a steady supply of vanaspati, bakery shortening and margarine. To ensure quality control of Vanaspati, it has been mandated that all imports of Vanaspati will have to adhere to the requirements of the Prevention of Food Adulteration (PFA) Act. The import of Vanaspati from Nepal has been restricted to 1 lakh MT per annum. It is incorrect to say that Vanaspati oil industry is being closed because of this reason alone. The Government has negotiated Tariff Rate Quotas (TRQs) with both countries to safeguard the interest of the domestic industry.

Increase in investment in Mumbai-Delhi corridor infrastructure project

1076. SHRI P.R .RAJAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has increased the investment in Mumbai-Delhi corridor infrastructure project;

(b) what are the developments being envisaged through the scheme;

(c) whether any foreign countries are interested in the scheme; and

(d) the time limit of the scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) The Government has recently approved 'in principle' the project outline of "Delhi-Mumbai Industrial Corridor" (DMIC) Project.

(b) The Project envisages to improve industrial infrastructure and to leverage the existing/planned projects in infrastructural sectors particularly rail and road. In the first phase, 12 industrial nodes are proposed to be developed, which would include self contained Industrial Townships with world class infrastructure, logistic hubs, reliable power, quality social infrastructure and improved connectivity.

(c) The Government of India had signed an MOU with the Government of Japanto develop the project outline of the DMIC Project. The concept paper has since been finalized.

(d) The first phase of the project is envisaged to be implemented during 2008-2012.

Effect of unsustainable tax breaks and physical incentives to industrial projects

1077. SHRI M.V. MYSURA REDDY: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that Prime Minister warned the State Governments against unhealthy practice of providing unsustainable tax breaks and physical incentives to industrial projects at Northern Chief Minister's Conclave organized by PHD Chambers of Commerce and Industry on 28th September, 2006, in Chandigarh;

(b) whether it is also a fact that he advised to remove the barriers on Inter-State trade; and

(c) if so, whether there is any proposal before Government to implement the advise of the Prime Minister?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) Yes, Sir. Hon'ble Prime Minister, while addressing the Northern Chief Minister's Conclave organized by the PHD Chambers of Commerce an Industry on 28th September, 2006 at Chandigarh, had referred to unsustainable fisca incentives and tax breaks provided for promoting industrial development and urged the State Governments to enable a common economy and a single market to emerge. Hon'ble Prime Minister had also advised the State Governments to remove barriers on inter-State trade to facilitate movement of people and goods.

(c) Removal of barriers on inter-State trade and tax breaks referred to in the speech are subjects under the purview of State Governments.

Approval to SEZs

1078. SHRI M.V. MYSURA REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that approvals for more than 150 SEZs have been granted by Government;

(b) if so, the details thereof alongwith the number of new approvals likely to be accorded, State-wise;

(c) whether there is any proposal before Government to change the guidelines and rules for SEZs in view of the public authority; and

(d) if so, the details thereof?